



The Commonwealth Grows

Volume 4, Issue 2

Summer 2004

Governor's Office of Agricultural Policy

KAFC Finds New Home at GOAP

Did You Know?

- Over \$4.56 million in ADF investments since April 2004
- Over \$163 million in ADF investments since January 2001
- Over 1,800 projects have been approved since January 2001
- Over \$68.6 million in County funds has been committed to the nine model cost-share programs.

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On July 15th, the Governor's Office of Agricultural Policy (GOAP) assumed administration of the Kentucky Agricultural Finance Corporation (KAFC). Thanks to the work of several members of the General Assembly and the leadership of the Agricultural Development Board (ADB), Senate Bill 146 was approved and signed into law by Governor Fletcher on April 2.

KAFC is working to develop and market new loan opportunities to producers to purchase their first farm or provide access to capital for an existing operation. Leading this effort is a new face at GOAP, Tim Hughes, the Marketing and Business Development Coordinator for KAFC. Tim will work with producers and local lenders to help expand awareness and knowledge of KAFC's array of lending opportunities for agricultural endeavors.

KAFC established three financing programs with the Agricultural Development Funds awarded in July 2003; the Investment Fund for Agriculture, the Agricultural Endeavors Lease Program, and the Young Farmers Financing Program. In the signing of Senate Bill 146, KAFC also assumed administrative responsibilities for the

Linked Deposit Loan Program for Agriculture. This program's access to funds from Kentucky's Abandoned Property Account allows lenders to make agricultural loans for up to seven years at attractive rates.

The newest financing program for producers, the County Revolving Loan Program, was created by the Agricultural Development Board as a new model program for counties. The County Agricultural Development Council can designate a portion of their county's allocation to be used for producer loans. These loans can be used in conjunction with existing ADF cost share programs and will be initiated through local banks that enter into Inter-creditor agreements with the KAFC.

Kentucky continues to make strides in assisting producers in their transition from dependence on tobacco production. The Kentucky Tobacco Settlement Trust Corporation, more commonly known as the Phase II Board, has facilitated direct cash payments of \$588 million to over 150,000 Kentucky farmers since the Trust was established in 1999. In December, nearly \$130 million will be available for distribution to this year's eligible recipients. The Kentucky Agricultural De-

velopment Board has to date invested over \$163 million in funds in an array of county, regional, and state projects designed to increase net farm income and create sustainable new farm-based business enterprises.

Kentucky farmers have diversification opportunities today that agricultural leaders never imagined possible in the early 1990's when we began asking, "What will we do if tobacco disappears?" Direct payments through the Phase II program, grant programs with Agricultural Development Funds, and now capital access programs through the Kentucky Agricultural Finance Corporation are providing farmers the opportunity to develop new ventures, expand current operations, and become entrepreneurs in value-added processing.

As the tobacco culture in Kentucky continues to change, we must hold true to the opportunities available and move Kentucky's agriculture economy forward. Governor Fletcher and the Kentucky Legislature recognize the impact that the agricultural industry has in Kentucky, and they continue to support the programs established to assist producers in diversifying Kentucky's agricultural economy.

Agricultural Development Fund Investments

Kentucky's Legislature made a historic effort in 2000 to diversify away from tobacco production, while revitalizing the farm economy by investing 50% of Kentucky's Master Settlement Agreement into the Kentucky Agricultural Development Fund.

Over the last four months, over \$4.56 million of Agricultural Development Funds have been invested in Kentucky's agricultural diversification effort. This brings the total investment to date to over \$163 million in an array of county, regional, and state projects designed to increase net farm income and create sustainable new farm-based enterprises.

The following are projects receiving Agricultural Development Funds between April and July 2004, representing 35 of the 1,800 projects that have been approved since 2001.

Agriculture Marketing Institute

KCADE Funds: \$22,700.00
Award Date: April 2004

Marketing Institute, Inc. received \$22,700 in Kentucky Center for Agricultural Development & Entrepreneurship funds to assist in the feasibility study to explore the opportunities, challenges, risks and value associated with the construction and operation of an ethanol facility in the Meade County area.

Anderson County Farm Bureau

County Funds: \$11,585.00
Award Date: July 2004

Anderson County Farm Bureau Federation received \$11,585 in Anderson County funds to purchase a lime spreader to establish a shared-use equipment program for producers in Anderson County.

Bath County Agricultural Extension Foundation, Inc.

County Funds: \$10,000.00
Award Date: April 2004

Bath County Agricultural Extension Foundation, Inc. received \$10,000 in Montgomery County funds to be used in the development of the Bath County Agriculture Education & Marketing Center, which was originally approved for funds in June 2001.

Boones Abattoir, Inc.

County Funds: \$26,000.00
State Funds: \$546,676.00
Award Date: May 2004

Boones Abattoir, Inc., received a forgivable loan consisting of \$15,000 in Nelson County, \$5,000 in Woodford County, \$5,000 in Shelby County, \$1,000 in Henry County, and \$546,676 in state funds to expand a state of the art USDA inspected livestock slaughter/processing facility in Nelson County. The expansion will include construction of new facilities and the purchase of equipment allowing Boones Abattoir to provide value-added processing services, as Kentucky livestock producers increase their efforts to sell direct to wholesalers, retailers and consumers.

Boyd County Conservation District

County Funds: \$5,000.00
Award Date: July 2004

Boyd County Conservation District received \$5,000 in Boyd County funds to establish a lime cost-share program for producers in Boyd County.

Buffalo Trace Area Development District

County Funds: \$75,000
Award Date: July 2004

Buffalo Trace Area Development District, Inc. received \$75,000 in Robertson County funds to implement a Hay Handling project in Robertson County, as an extension of the Lewis County pilot project.

Bullitt County Chamber of Commerce

County Funds: \$5,060.00
Awarded Date: June 2004

The Bullitt County Chamber of Commerce received \$5,060 in Bullitt County funds to purchase tents, tables, and certified scales for the Bullitt County Farmers' Market.



Fresh Tomatoes are a favorite
at the Farmers' Market

Agricultural Development Fund Investments

Caldwell County Conservation District

County Funds: \$1,000.00
Awarded Date: June 2004

The Caldwell County Conservation District received \$1,000 in Caldwell County funds to conduct a Progressive Farmer Home and Farm Safety Day at the UK Research and Education Center in Princeton, Kentucky.

Cumberland Farm Products Association, Inc.

County Funds: \$15,000.00
Award Date: April 2004

Cumberland Farm Products Association, Inc. received \$15,000 in Wayne County funds as a county contribution to the forgivable loan funded in December 2003. The Agricultural Development Funds will be used toward the purchase of equipment and improvements to the facility for the 2004 season.

Economic Development Authority

County Funds: \$2,000.00
Award Date: July 2004

Economic Development Authority, Inc. received \$2,000 in Spencer County funds to assist with the advertising of the Taylorsville Main Street Farmers' Market.

Farmer's Market Association, Inc of Taylor County

County Funds: \$10,000.00
Award Date: July 2004

Farmer's Market Association, Inc received \$10,000 in Taylor County funds for an expansion to the existing

Farmer's Market structure which would include storage, water, electrical hook-ups, and a shelter area for producers.

Franklin County Fair Board

County Funds: \$37,000.00
Award Date: July 2004

The Franklin County Fair Board received \$37,000 in Franklin County funds to construct a covered, open-sided sale and exhibition pavilion.

Fulton County 4-H Club

County Funds: \$420.00
Awarded Date: June 2004

The Fulton County 4-H Club received \$420 in Fulton County funds to assist with the development of the local 4-H program. Fulton County funds will be used to establish a library of educational books, CD ROMs and videos to be made available to all 4-H students for education purposes. Funds will also be used to purchase metal panels to construct a show ring, for training and educational purposes.

Henry County Chamber of Commerce

County Funds: \$9,725.00
Award Date: May 2004

The Henry County Chamber of Commerce received \$9,725 to provide additional funding for the Henry County Agricultural Marketing Specialist. The Marketing Specialist will continue efforts in working to assist farmers in Henry County find alternative markets for their non-tobacco products.

Hopkins County Conservation District

County Funds: \$13,434.00
Award Date: July 2004

Hopkins County Conservation District received \$13,434 in Hopkins County funds to continue an agricultural and environmental education program for local students in K-8.



Jackson Purchase RC&D Foundation

County Funds: \$42,000.00
Award Date: July 2004

Jackson Purchase RC&D Foundation received \$42,000 in Graves County funds to establish a cost-sharing program for equipment to implement precision agriculture into local farming operations.

Jackson Purchase RC&D Foundation

County Funds: \$17,260.00
Award Date: July 2004

Jackson Purchase RC&D Foundation received \$17,260 in Graves County funds to establish a shade cloth cost-share program to assist tobacco and horticultural producers in Graves County.

(Continued on page 4)

Agricultural Development Fund Investments

Jessamine County FFA Alumni

County Funds: \$7,020.00
Award Date: May 2004

The Jessamine County FFA Alumni Association received \$7,020 of Jessamine County funds to continue an agriculture project cost-share program for 4H & FFA students in Jessamine County.

Johnson County Ag. Advancement Council

County Funds: \$10,500.00
Award Date: April 2004

Johnson County Ag Advancement Council received \$10,500 in Johnson County funds to establish a shared-use program in Johnson County. Agricultural Development Funds will be used to purchase a lime spreader for applying lime on steeper fields to improve the productivity of the farmland.

Lake Cumberland Milling, LLC

County Funds: \$75,000.00
State Funds: \$1,100,000.00
Award Date: April 2004

Lake Cumberland Milling, LLC received \$20,000 in Wayne County, \$20,000 in Pulaski County, \$20,000 in Russell County, \$10,000 in Cumberland County, \$5,000 in Clinton County and \$1,100,000 in state funds to renovate Wayne County Feeds & Supply, to include a soybean extrusion mill.

Lincoln County Farm Bureau Federation

County Funds: \$10,000.00
Award Date: April 2004

Lincoln County Farm Bureau Federation received \$10,000 in Lincoln County

funds to implement a livestock cost-share program for youth in Lincoln County.

Little Kentucky Smokehouse

State Funds: \$1,000,000.00
Award Date: July 2004

Little Kentucky Smokehouse, LLC (LKS) received \$1,000,000 in state funds as a forgivable loan to expand their meat processing plant, with an emphasis on pork products, that will have an annual capacity of fourteen million pounds. This expansion project will allow LKS to develop a source verified "Kentucky Fresh" pork product line, utilizing Kentucky raised hogs.

Mason County Agricultural Advancement Council

County Funds: \$50,000.00
Award Date: April 2004

Mason County Agricultural Advancement Council received \$50,000 in Mason County funds to implement a Hay, Straw & Grain Handling Project, as an extension of the Lewis County pilot project. Agricultural Development Funds will be used to cost-share on hay handling equipment to improve labor efficiency and safety as hay is transported to market, as well as grain handling equipment.

Marion County Fair, Inc.

County Funds: \$30,000.00
Award Date: April 2004

Marion County Fair, Inc. received \$30,000 in Marion County funds to make improvements to the Marion County Agricultural Center.

Maintain Our Rural Environment

County Funds: \$9,000.00
Award Date: May 2004

Maintain Our Rural Environment received \$9,000 in Shelby County funds to conduct a Cost of Community Services (COCS) study in Shelby County, outside of Shelbyville and Simpsonville.

McDowell Farms Salsa, LLC

County Funds: \$10,000.00
State Funds: \$46,000.00
Award Date: April 2004

McDowell Farms Salsa, LLC received \$2,500 each in Mason, Lewis, Bracken and Robertson County funds and \$46,000 in state funds as a forgivable loan for expansion of a farm-based salsa production operation to a farm-based commercial kitchen. Agricultural Development Funds would be used to purchase processing equipment and assist with construction costs for the commercial kitchen.



Meade County Farmers' Market

County Funds: \$1,000.00
Awarded Date: June 2004

The Meade County Farmers' Market, Inc. received \$1,000 in Meade County funds for the marketing and promotion of the Meade County Farmers' Market.

Agricultural Development Fund Investments

Metcalfe County Conservation District

County Funds: \$105,000.00
Awarded Date: June 2004

The Metcalfe County Conservation District received \$105,000 in Metcalfe County funds to implement a lime cost-share program for local producers.

Mountain Cattleman Association

County Funds: \$1,000.00
Award Date: April 2004

Mountain Cattleman Association received \$1,000 in Perry County funds to provide Nx Level Entrepreneurship training classes for producers who are interested in starting a new agricultural business.

Owen County Farm Bureau

County Funds: \$31,800.00
Award Date: June 2004

The Owen County Farm Bureau received \$31,800 in Owen County funds to establish a lime cost-share program for local producers.

Owsley County Conservation District

County Funds: \$8,142.00
Award Date: July 2004

Owsley County Conservation District received \$8,142 in Owsley County funds for the purchase a manure spreader and two post hole diggers for shared-use.

Riverview Farmers' Market

County Funds: \$6,290.00
Award Date: June 2004

The Riverview Farmers' Market received \$6,290 in Carroll County funds to purchase tables, certified scales and tents for use at

the market as well as promotional materials for the Market.

Sheltowee Farm, Inc.

County Funds: \$3,000.00
State Funds: \$34,750.00
Award Date: July 2004

Sheltowee Farm, Inc. received \$3,000 in Bath County and \$34,750 in state funds as a forgivable loan for the expansion of year-round organic mushroom production and to add variety to help secure larger market contracts for Kentucky grown mushrooms.



Siemer Milling Company

County Funds: \$173,947.00
State Funds: \$1,002,959.00
Awarded Date: June 2004

Siemer Milling Company received \$5,000 in Caldwell County, \$75,000 in Christian County, \$33,947 in Simpson County, \$60,000 in Todd County, and \$826,053 in state funds as a forgivable loan to construct a new wheat mill at the current facility in Hopkinsville, Kentucky.

Webster County Conservation District

County Funds: \$7,000.00
Awarded Date: June 2004

The Webster County Conservation District received \$7,000 in Webster County funds to purchase a manure spreader for shared-use in Webster County.

County Model Cost-share Programs

Cumulative Totals
January 2001– July 2004

Agricultural Diversification

Est. September 2001
\$9,041,074
83 Counties

Cattle Genetics

Est. February 2001
\$9,520,522
104 Counties

Cattle Handling

Est. June 2001
\$14,455,656
99 Counties

Fencing Improvement

Est. March 2003
\$3,779,670
43 Counties

Forage Improvement

Est. March 2001
\$16,998,221
100 Counties

Goat Diversification

Est. August 2001
\$2,922,857
85 Counties

Hay, Straw &

Commodity Storage

Est. November 2002
\$10,961,603
79 Counties

On-Farm Water Enhancement

Est. March 2003
\$795,707
13 Counties



Model Program Administration

Producer Reporting Forms

New forms have been developed to assist program administrators in obtaining needed information for both the quarterly fiscal reporting, as well as the close-out reporting.

The **Producer Reporting Forms** were developed with the assistance of UK Agricultural Economics and Extension personnel, as well as industry experts in each enterprise. They were designed so that the administrator may obtain as much information from approved producers before cost-share reimbursement is given, so that there is less follow-up information to obtain. Some programs, such as Hay, Straw, & Commodity Storage

will require producer reporting after practices are complete simply because of the nature of the program.

For each program producers only need to fill out the front page and the page(s) associated with the specific investment area for which cost-share reimbursement is being sought. These forms are available at the following link: http://agpolicy.ky.gov/funds/program_reporting.shtml.

Program Reconciliation

Among the additions to the 2004 revised program guidelines is an explanation of how model program agreements are to be reconciled and closed-out. Section III.B.13. *Application Procedures: Guidelines for Local Agency Administration: Reporting out-*

lines the reconciliation report, which is due 60 days after the term of the agreement. The reconciliation report includes, but is not limited to:

- the Model Program Summary;
- the Program Quarterly Detail for any payments made since the last submitted quarterly report;
- one of the following shall be included: 1) a listing of all credits, debits, and payees paid through this agreement, or 2) copies of bank statements with check numbers and amounts.

Any balance, including earned interest, that is left from a program agreement should also be mailed at the time of reconciliation. For questions regarding reconciling agreement, contact your Project Analyst.

Program Administrator Spotlight

County Conservation Districts

The mission of the state Conservation Districts is to assist in the development and implementation of sound soil and water conservation programs to manage, enhance, and promote the wise use of the Commonwealth's resources. In addition, they ensure the availability of technical and financial assistance to the landowners and land users of Kentucky.

To help fulfill the second mission and impact the first mission, 73 County Conservation Districts have administered model programs and other projects through the Agricultural Development Fund. Over \$15.8

million has been awarded to the programs and projects administered by the County Conservation Districts. Most Conservation Districts administer the model Forage, Fencing, and Hay/Straw/Commodity programs; however, there are several that are assisting county producers by administering the cattle genetics and handling programs, as well as the agricultural diversification program.

"Kentucky's 121 local conservation districts work daily to enhance and protect our natural resources and to improve the communities we live in across this state. Conservation District supervisors, and Agricultural Development Council members rec-

ognize that Kentucky's agricultural producers are responsible citizens with strong ties to the land and water," notes Steve Coleman, Director for the Division of Conservation, "It is only natural that they work together to help insure long-term natural resource protection and a stronger bottom line for our farmers."

The Agricultural Development Board and staff appreciate the continued support of the County Conservation Districts in implementing cost-share programs for Kentucky's producers. Their commitment has been integral to the success of diversifying Kentucky's agricultural economy..

Phase II Update

2004 Distribution Plan

At its 2004 meeting, the Phase II Board agreed to retain its policy of dividing trust proceeds equally among the owners of quota, the party who owns or controls the land used to produce tobacco, and the party who employs the labor used in burley tobacco production. Payments to owners of quota will be based on basic quota ownership records from the United States Department of Agriculture for the

2003 crop year.

Payments for the land and labor components will again be based on an average of production and marketing activity in the years 1998, 1999, and 2000. The payment unit, referred to as payment pounds, is determined by averaging the effective quota and actual marketings for the three crop years in question.

Applications for quota owners will be sent to the farm operators

between August 17 and 20 with a postmark deadline of September 30 for returning signed applications.

Kentucky is scheduled to receive approximately \$130 million in 2004, although adjustments built into the trust could reduce that amount by as much as 10% or more. Since December 1999, the Corporation has distributed over \$588 million in direct cash payments to over 530,000 recipients while maintaining an administrative cost of less than 1%.

County Council Corner

June 30, 2004 marked the end of the second biennium for the Commonwealth's 120 County Agricultural Development Councils, and the beginning of the next phase in the agricultural development process.

County Council Terms Expire

The County Agricultural Development Councils were established to evaluate the needs of the local agricultural economy, devise a plan to identify programs best suited to support the county's agriculture, and assist local applicants in preparing proposals for county funds.

County Council membership includes:

- 2 farmers selected by the county Farm Service Agency Committee
- 2 individuals selected by the county Conservation District Board
- 2 individuals selected by the county Extension Council

- 2 young farmers (age 21-40) selected by the above six members

Since Council terms are for two years, it is time to think about your intent to serve on your County's Agricultural Development Council. Whether you wish to serve again or not, please notify the organization that selected you of your intent.

Any changes (additions and deletions) to Council membership should be communicated to GOAP by e-mailing govkyagpolicy@ky.gov.

State Board Members Appointed

Over the last six months several new members have joined the Agricultural Development Board. A special thank you goes out to Larry Clay, Susan Harkins, Willa Poynter, Eddie Sellers, Mike Slaughter, and Sydney Stewart for their service to Kentucky and the agriculture development process. Larry, Susan, Willa, Eddie,

and Mike all have the distinction of each being appointed to the original Board in 2000 at the beginning of this process.

The following are the newest members of the Agricultural Development Board:

Donna Amburgey
Montgomery Co.

H. H. Barlow
Barren Co.

John Clever
Nicholas Co.

Rodney Dick
Pulaski Co.

Dennis Griffin
Kenton Co.

Jim Mahan
Fayette Co.

Look for new member bios in the Fall 2004 edition of this newsletter.



*Leadership is
practiced not
so much in
words as in
attitude and in
actions.*

Harold Geneen,
Founder, MCI

Kentucky Agricultural Finance Corporation

County Revolving Loan Fund Model Program

August 2003, the Agricultural Development Board approved the guidelines for a county Revolving Loan Fund model program, so that a sustainable source of below-market financing would be available at the county level even after the end of the Tobacco Settlement Phase I payments through the long-term development of a revolving loan fund to benefit producers and value-added agricultural entrepreneurs.

This program was designed to improve net farm income through the development and expansion of new and existing agricultural products; to impact a high number of producers affected by the loss of income resulting from cuts in tobacco quota; and to assist producers desiring to develop alternative agricultural enterprises by leveraging funding from other sources.

Basic Guidelines for the County Revolving Loan Fund

- Maximum loan amount to be set by the establishing entity
- No loan to exceed 50% of the total cost of the project
- Loans secured with first lien or first mortgage
- Loan terms not to exceed 7 years
- Interest rate determined by local establishing entity
- Financial institutions allowed to charge reasonable servicing fee
- Loan funds may be used to provide 50% match requirement for ADF model programs
- Eligible activities may be broad in scope or limited, so as to target certain needed investment in the local agricultural community
- Establishing entity to determine eligible activities, which must conform to the statutory requirements below:
 - Funds may be used for deferred, no-interest or low-interest venture capital loans to enhance farms' revenues by initiating*
 1. *Current farming techniques or practices or improvements; or*
 2. *New farming ventures on the farm*

For more information regarding the County Revolving Loan Fund or other capital access programs offered through this office, contact Tim Hughes or your area Project Analyst at

Kentucky Agricultural Finance Corporation

404 Ann Street

Frankfort, KY 40601

(502) 564-4627

Governor's Office of Agricultural Policy

Welcome New Staff

There are five new faces at the Governor's Office of Agricultural Policy. We are excited about the new members to our team and hope that you will have an opportunity to personally welcome them into the Agricultural Development process.

Catherine Ball

General Legal Counsel

Catherine graduated from the University of Kentucky in 2000 with a B.A. in Political Science, and received her *Juris Doctorate* from the Chase College of Law.

As an undergraduate at UK, Catherine worked for First Security Bank of Lexington, and completed an internship at the Kentucky Farm Bureau. While in law school, Catherine worked for General Cable Corporation, and remained there following her admittance to the Kentucky Bar Association.

Catherine notes that "finding a position that combines [her] banking and legal background in this manner is ideal."

Angela, Blank

Records Manager

After three years at the University of Kentucky's College of Agriculture, Angela received her B.A. in Communications from the University of Louisville in 2003.

Prior to join GOAP staff, Angela worked for Citizens Union Bank of Shelbyville and interned for Quant

tum Communications, assisting the public relations manager.

Along with records management, Angela will assist with communications and public relations for the office. Angela is "excited to be working in this administration and especially this field, because it has an impact on so many people across the state of Kentucky."

Brian Furnish

Deputy Director

A native of Harrison County, Brian was raised on a tobacco and cattle farm. In 1997 Brian graduated from Eastern Kentucky University with a B.S. in Agribusiness.

Upon graduation, Brian worked for Griffin Industries for a year before joining the Burley Tobacco Co-op where he spent five years. For the last two years, Brian worked in government relations for the Co-op in Washington, DC and Frankfort.

Brian joins GOAP from the Kentucky Department of Agriculture where he served as the Marketing Director.

Brian notes that "agriculture has always been a part of [his] life...and is excited to be where he can help make such a difference in the agriculture community."

Tim Hughes

Market & Business Development Coordinator for KAFC

A native of Simpson County, Tim grew up working with crops and

livestock on his family's farm. In 1987, he graduated *Magna cum laude* from Western Kentucky University with a B.S. in Agriculture and minor in Business Administration. Tim joins GOAP from WKU where he has served as Farm Manager for the research farm.

Tim has served as a local, state, and national leader in numerous agricultural organizations. A three-time winner of the National Young Farmer Educational Association Farm Management Contest, Tim is a 1999 alumnus of the Leadership Kentucky program.

Tim notes that "affordable and available credit is a critical element for a growing and prosperous farming operation." He looks forward "to assisting local lenders in partnering with the Kentucky Agricultural Finance Corporation in delivering these needed investments for Kentucky's farmers."

Nicole Ray

Receptionist

Nicole is a graduate of Western Kentucky University's School of Journalism, receiving her B.A. in Advertising in May 2003.

In addition to her duties as receptionist, Nicole will be responsible for data entry related to the processing of applications for the Agricultural Development Fund.

A resident of Anderson County, Nicole is a member of Southland Christian Church in Lexington.

Investment Updates

Roundstone Native Seed

Randy Seymour's interest in native warm season grasses started over ten years ago with the discovery of remnant stands of grass on the 1800-acre farm he owns with his son John. They decided they wanted to return parts of their farm to the native habitat for wildlife benefits, but they soon discovered that there was no source for seed stock native to Kentucky. Instead of resorting to western cultivars, these farmers decided they would just produce their own seed.

Armed with their ten gallon buckets and guidance from experts in the state, Randy and John began collecting seed from remnant stands in the region. In what began as an effort to restore the native heritage of their own lands, this father son team has grown to be the largest producer of native warm season grasses in the South.

There are several reasons Roundstone Native Seed stands apart from other seed producers, but the number one reason is the quality of their product.

The Seymour's set out to develop native warm season grass seed that was the same quality as the cool season grass seed they had previously sown for their beef cattle. To produce the quality of seed they wanted, John designed and built specialty harvesting, drying, cleaning, conditioning, and storage equipment. The \$177,600 grant from the Agricultural

Development Fund in 2003, assisted in the expansion of the operation by providing funding for specialty cleaning equipment and construction of storage facilities.

Another factor that sets Roundstone Native Seed above other national brands is that their seed was



Randy and John Seymour provide quality, clean native grass seed.

established from plants that have evolved over the past 5,000 to 7,000 years. These high quality seeds have adapted to the soils, temperature, rainfall, geology, diseases, insect pests and other ecological conditions that allow them to thrive in Kentucky and the eastern region of the United States.

Currently the majority of Roundstone's customer base is individuals participating in federal Farm Bill Programs, such as the Conservation Reserve Program, Wildlife Habitat Incentives Program, Environmental Quality Incentives Program, and the

Conservation Reserve Enhancement Program.

The up and coming market for native grasses is forage production. Randy and John are the first to admit that there is no justification for plowing up all cool season grasses and replacing them with native warm season forages. Instead they propose that native warm season forages should be produced in designed amounts to complement cool season forages, to help livestock producers to maximize their production opportunities and minimize expenses. For those producers interested in incorporating native warm season grasses in their forage program, Roundstone Native Seed will work with you to implement proper protocol for the establishment of this forage option on your farm.

To learn more about Roundstone Native Seed and the benefit of native warm season grasses to your wildlife habitat or to your current forage production, contact Randy and John Seymour at:

Roundstone Native Seed

9764 Raider Hollow Road

Upton, KY 42784

(270) 531-2353



Investment Updates

Commonwealth Agri-Energy

On June 17, Kentucky Legislators, agricultural leaders and corn growers from across the state came together in Hopkinsville for the grand opening of Commonwealth Agri-Energy, Kentucky's first ethanol plant.

Commonwealth Agri-Energy is owned by the 2,300 members of the Hopkinsville Elevator Company and the 650 members of the Kentucky Corn Growers Association.

The Agricultural Development Board awarded \$6.5 million in grants and \$3 million in loans for construction of the \$32.8 million ethanol plant. CoBank, the Delta Regional Authority, and the U.S. Department of Agriculture's Value-Added Grant Program also provided funding for this project.

Commonwealth Agri-Energy is projected to purchase over seven million bushels of corn in the next year, producing an estimated 20 million gallons of ethanol. Half of the ethanol produced in the Hopkinsville operation will go to Louisville, the only Kentucky city requiring gasoline mixed with an oxygenate additive. The remaining ethanol will be shipped to markets such as New York and St. Louis, which also require reformulated gasoline.

In the process of converting corn to ethanol two other key by-products are produced; dried distillers grain and carbon dioxide (CO₂). Commonwealth Agri-Energy estimates that over 60,000 tons of dry distiller's grain will be produced each year and sold as livestock feed to area producers. Pain Enterprises of Bloomington, Indiana is constructing a



Commonwealth Agri-Energy has the ability to convert 7 million bushels of corn into 20 million gallons of ethanol a year.

plant adjacent to the ethanol plant that will capture the estimated 60,000 tons of CO₂ produced each year for the production of dry ice and other CO₂ products.

To learn more about Commonwealth Agri-Energy and ethanol production in Kentucky visit their website at www.commonwealthagrienergy.com.



Triple T Farms

Triple T Farms in Nancy, is a traditional Kentucky tobacco farm that has been in the Tarter family for generations. In the 1990's Tim Tarter recognized the change in Kentucky agriculture, especially in tobacco production, and be-

gan looking at possible areas for diversification. It was during this time that he began growing herbs in one of the greenhouses traditionally used to grow tobacco plants.

In 2000, Triple T Farm and Greenhouse had their first year as a commercial herb producer with six varieties of herbs; rosemary, chives, dill, mint, arugula and basil. Since this first year of production, hours of experimentation have been necessary to develop the viable, efficient, and productive growing methods that Triple T uses today.

In working with area producers, Triple T Farms is currently producing over twelve varieties of herbs and select specialty crops, including parsnips, daikon radishes, and swiss chard, for their contract with World Variety Produce for distribution to Wal-Mart stores across the state.



Chives are grown indoors in climate controlled greenhouses for year-round production.

Governor's Office of Agricultural Policy

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The **Governor's Office of Agricultural Policy (GOAP)** provides a direct link between the Governor and one of the Commonwealth's most important industries. GOAP administers the Kentucky Agricultural Development Board (Phase I), the Kentucky Tobacco Settlement Trust Corporation (Phase II), and the Kentucky Agriculture Finance Corporation (KAFC), as well as other Boards and Commissions.

GOAP is dedicated to doing all that it can to develop and implement agricultural development policies that result in a brighter future for Kentucky.

VISIT US ON THE WEB AT

[HTTP://AGPOLICY.KY.GOV](http://agpolicy.ky.gov)

Governor's Office of Agricultural Policy
404 Ann Street
Frankfort, KY 40601



**Making a difference,
one producer at a time.**

\$155 million
in Agricultural Development Funds
have already made an impact on
Kentucky producers.



50% of Kentucky's Tobacco Settlement Fund is being invested into agriculture for diversification and market development. The Kentucky Ag producer is better able to meet the challenges facing the future of farming.
To learn more, visit kybeef.com, westkentuckygrowers.com and otherwhitemeat.com

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